

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

TODD RAYMOND BAILEY and
WENDY LYNN BAILEY,

Defendants.

INDICTMENT

The Grand Jury charges:

COUNT 1
(Conspiracy)

From not later than on or about September 15, 2011 until on or about August 14, 2014, in Ottawa County in the Southern Division of the Western District of Michigan, and elsewhere, the Defendants,

TODD RAYMOND BAILEY and
WENDY LYNN BAILEY,

did knowingly conspire, confederate, and agree with one another, and with other persons known to the Grand Jury, to make false statements and representations in the acquisition and disposition (A&D) records of Special Weapons, Inc. and Coharie Arms, Inc., that they were required by law to maintain, regarding firearms manufactured and sold/transferred by those businesses, and to fail to maintain such records on the licensed premises of those businesses, in violation of Title 18, United States Code, Section 922(b)(5).

In furtherance of the conspiracy, and to effect its object, the Defendants made and caused to be made approximately 539 false entries in the A&D records for Special Weapons stating that

firearms manufactured in the Western District of Michigan had been transferred to “Weapons Imports” in Scottsdale, Arizona, when in fact they had been shipped directly from Michigan to purchasers at other locations; they made and caused to be made approximately 182 false entries in the A&D records for Coharie Arms stating that firearms manufactured in the Western District of Michigan had been transferred to “Weapons Imports” in Scottsdale, Arizona, when in fact they had been shipped directly from Michigan to purchasers at other locations; and they maintained the A&D records for both Special Weapons and Coharie Arms in Hawaii, instead of at the licensed premises for those businesses in Ottawa County. The false A&D entries included, but were not limited to, the following: **(1)** on or about May 9, 2012, entries in the A&D records for Coharie Arms falsely stating that 60 Model CA89K pistols had been shipped from Michigan to Weapons Imports in Arizona, when in fact those items had been exported directly from Michigan to Bangkok, Thailand; **(2)** on or about September 4, 2012, entries in the A&D records for Coharie Arms falsely stating that two Model CA33 machineguns had been shipped from Michigan to Weapons Imports in Arizona, when in fact those items had been exported directly from Michigan to Bangkok, Thailand; **(3)** on or about November 19, 2013, entries in the A&D records for Coharie Arms falsely stating that six Model CA89K pistols had been shipped from Michigan to Weapons Imports in Arizona, when in fact those items had been exported directly from Michigan to Pretoria, South Africa; **(4)** on or about December 13, 2013, entries in the A&D records for Special Weapons falsely stating that 11 Model SW89 firearms had been shipped from Michigan to Weapons Imports in Arizona, when in fact those items had been shipped directly from Michigan to purchasers in New York, Nevada, Nebraska, Indiana, Ohio, Florida, and Colorado; and **(5)** on or about January 17, 2014, entries in the A&D records for Special Weapons falsely stating that three Model SW89 firearms had been shipped from Michigan to Weapons

Imports in Arizona, when in fact those items had been shipped directly from Michigan to purchasers in Virginia, Texas, and Wyoming.

18 U.S.C. § 371

18 U.S.C. § 922(b)(5)

COUNT 2

(Failure by Federally Licensed Manufacturer/Dealer to Keep Correct Records)

From not later than on or about September 15, 2011 until on or about August 14, 2014, in Ottawa County in the Southern Division of the Western District of Michigan, and elsewhere, the Defendants,

TODD RAYMOND BAILEY and
WENDY LYNN BAILEY,

being licensed manufacturers and dealers of firearms within the meaning of Chapter 44, Title 18, United States Code, failed to maintain records that they were required to keep pursuant to Section 923(g)(1)(A) of Title 18, United States Code, and aided and abetted each other in doing so, by knowingly making false statements and representations in the acquisition and disposition (A&D) records of Special Weapons, Inc. and Coharie Arms, Inc. regarding firearms manufactured and sold/transferred by those businesses, and by willfully failing to maintain such records on the licensed premises of those businesses.

18 U.S.C. § 922(b)(5)
18 U.S.C. § 924(a)(1)(A), (D)
18 U.S.C. § 2
27 C.F.R. § 478.125(e)
27 C.F.R. § 478.121(a)

COUNT 3
(Unauthorized Possession of Machineguns)

From on or about August 5, 2013 until on or about March 20, 2014, in Ottawa County in the Southern Division of the Western District of Michigan, the Defendant,

TODD RAYMOND BAILEY,

did knowingly possess six Coharie Arms Model CA5 9mm machineguns, serial numbers C19-00001, C19-00002, C19-00003, C19-00004, C19-00005, C19-00006, that he was not authorized to possess.

18 U.S.C. § 922(o)
18 U.S.C. § 921(a)(23)
26 U.S.C. § 5845(b)
18 U.S.C. § 924(a)(2)

A TRUE BILL



GRAND JURY FOREPERSON

ANDREW BYERLY BIRGE
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